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8	Chapter 7 Trustee UNITED STATES BA
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10	CENTRAL DISTRIC
11	LOS ANGEL
12	In re
13	GIRARDI KEESE,
14	Debtor.
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S BANKRUPTCY COURT TRICT OF CALIFORNIA

GELES DIVISION

Case No. 2:20-bk-21022-BR

Chapter 7

REPLY TO SOUTHERN CALIFORNIA GAS COMPANY'S STATEMENT RE TRUSTEE'S EMERGENCY MOTION FOR ORDER:

- (1) APPROVING COMPROMISE WITH FRANTZ LAW GROUP, APLC PURSUANT TO FEDERAL RULE OF **BANKRUPTCY PROCEDURE 9019,** ETC.
- (2) AUTHORIZING THE ASSIGNMENT OF THE ESTATE'S INTERESTS IN THE SOUTHERN CALIFORNIA GAS LEAK LITIGATION FREE AND CLEAR OF LIENS, CLAIMS AND INTERESTS PURSUANT TO 11 U.S.C. § 363; AND
- (3) AUTHORIZING REJECTION OF THE ASSUMPTION AND LIEN AGREEMENT BETWEEN THE DEBTOR AND ABIR COHEN TREYZON SALO LLP **PURSUANT TO 11 U.S.C. § 365**

February 2, 2021 Date: Time: 10:00 a.m.

1668 via ZoomGov Ctrm.:

255 E. Temple Street Los Angeles, CA 90012

2853995.2 **REPLY** 1

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Web Address: https://cacb.zoomgov.com/j/1614873359 Meeting ID: 1614873359 Password: 123456

Telephone: (669) 254 5252 (San Jose) (646) 828 7666 (New York)

TO THE HONORABLE BARRY RUSSELL, UNITED STATES BANKRUPTCY JUDGE:

Elissa D. Miller, the chapter 7 trustee (the "Trustee") for the bankruptcy estate of Girardi Keese (the "Estate"), submits this Reply to Southern California Gas Company's ("SoCalGas") Statement (the "Statement") regarding the Trustee's *Emergency Motion for* Order: (1) Approving Compromise with Frantz Law Group, APLC, Pursuant to Federal Rule of Bankruptcy Procedure 9019; (2) Authorizing the Assignment of the Estate's Interests in the Southern California Gas Leak Litigation Free and Clear of Liens, Claims and Interests Pursuant to 11 U.S.C. § 363; and (3) Authorizing Rejection of the Assumption and Lien Agreement Between the Debtor and Abir Cohen Treyzon Salo LLP Pursuant to 11 U.S.C. § 365 (the "Motion").

INTRODUCTION

Attempting to improperly exert influence over the Trustee and the Estate, SoCalGas, the main defendant in what has been referred to as the Porter Ranch Litigation or Southern California Gas Leak Litigation, has filed a Statement responding to the Trustee's Motion. The Court should strike it. SoCalGas has no standing to assert any arguments or comments related to the Motion. Further, its comments that it has reached out to the Trustee and her counsel to discuss settlement imply that the Trustee has authority to settle claims on behalf of the Debtor's clients. This mischaracterization is inappropriate and incorrect. The Trustee cannot settle the claims against SoCalGas because the claims are not property of the Estate. SoCalGas's Statement is tainted with ulterior motives, and the Court should strike the Statement.

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II. MEMORANDUM OF POINTS AND AUTHORITIES

A. Southern California Gas Company Lacks Standing to File the Statement

As set forth in the Debtor's Motion, the Debtor was a plaintiff's law firm located in Los Angeles, California. At the time the involuntary petition was commenced against the Debtor, the Debtor represented thousands of clients in numerous cases. One of the Debtor's most significant pending cases involved its joint representation of 8,202 individual plaintiffs in the litigation over the months-long gas leak in Porter Ranch, California (the "Southern California Gas Leak Litigation"). SoCalGas is one of the defendants in the Southern California Gas Leak Litigation and is not a creditor of the Estate.

SoCalGas does not have standing to file the Statement. A finding of standing "'depends upon whether the party has alleged such a personal stake in the outcome of the controversy...as to ensure that the dispute...will be presented in an adversary context...'" See In re Autosport Int'l, Inc., 2013 WL 3199826 at *3 (Bankr. C.D. Cal. 2013) citing Sierra Club v. Morton, 405 U.S. 727, 732 (1972). To establishing standing in a bankruptcy case, "a party must be a person aggrieved by the bankruptcy court's order...in other words, the order must diminish the [parties'] property, increase its burdens, or detrimentally affect its rights." See In re Autosport Int'l, Inc., 2013 WL 3199826 at *3 (Bankr. C.D. Cal. 2013) citing Duckor Spradling & Metzger v. Baum Trust (In re P.R.T.C., Inc.), 177 F.3d 774, 777 (9th Cir. 1999) (internal quotation marks omitted).

The Trustee's Motion will have no effect on SoCalGas. SoCalGas is not a creditor of the Debtor, and the Motion will not affect SoCalGas's rights, property, or place any burden on SoCalGas. Moreover, SoCalGas makes no assertions that it will be aggrieved in any way by the Motion. SoCalGas's only tie to the Debtor's bankruptcy case is as a defendant in cases where the Debtor was the co-counsel of record. There is no

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B. The Trustee Cannot Settle the Claims on Behalf of the Estate

In its Statement, SoGalGas repeatedly makes inappropriate insinuations that the Trustee should explore a settlement with SoCalGas and that the Trustee somehow has authority to settle the claims on behalf of the Debtor's clients. Specifically, SoCalGas states that it "has reached out to the Trustee [and her] counsel...to inform them of its interest in commencing discussions on a resolution of the Debtor's clients' claims." See Statement at 2, lines 19-20. SoCalGas later concludes that it "is hopeful that it will be able to engage in a productive dialog with the Trustee..." See Statement at 3, lines 1-2. These insinuations are an attempt to improperly influence the Trustee to take actions SoCalGas believes will be to its benefit.

The Trustee does not have authority to settle the Debtor's clients' claims against SoCalGas. As made abundantly clear in the Trustee's Motion, the Estate's interest is in the fees and costs resulting from any recovery in the Debtor's cases in the Southern California Gas Leak Litigation. The claims against SoCalGas belong to the Debtor's clients, not the Estate. Because the clients' claims are not property of the Estate, the Trustee lacks authority to settle the claims against SoCalGas. Any suggestion otherwise is incorrect and mischaracterizes the Trustee's authority.

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Costa Mesa, California 92626 Tel 714 445-1000 • Fax 714 445-1002

CONCLUSION III.

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For the reasons stated above, the Court should strike the Statement filed by SoCalGas.

DATED: January 29, 2021 Respectfully submitted,

SMILEY WANG-EKVALL, LLP

By: /s/ Lei Lei Wang Ekvall

> LEI LEI WANG EKVALL Attorneys for Elissa D. Miller, Chapter 7 Trustee

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is 3200 Park Center Drive, Suite 250, Costa Mesa, CA 92626.

A true and correct copy of the foregoing document entitled (specify): REPLY TO SOUTHERN CALIFORNIA GAS COMPANY'S STATEMENT RE TRUSTEE'S EMERGENCY MOTION FOR ORDER: (1) APPROVING COMPROMISE WITH FRANTZ LAW GROUP, APLC PURSUANT TO FEDERAL RULE OF BANKRUPTCY PROCEDURE 9019, ETC. (2) AUTHORIZING THE ASSIGNMENT OF THE ESTATE'S INTERESTS IN THE SOUTHERN CALIFORNIA GAS LEAK LITIGATION FREE AND CLEAR OF LIENS, CLAIMS AND INTERESTS PURSUANT TO 11 U.S.C. § 363; AND (3) AUTHORIZING REJECTION OF THE ASSUMPTION AND LIEN AGREEMENT BETWEEN THE DEBTOR AND ABIR COHEN TREYZON SALO LLP PURSUANT TO 11 U.S.C. § 365 will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (date) January 29, 2021 I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☑ Service information continued on attached page.

2. SERVED BY UNITED STATES MAIL:

On (date) January 29, 2021, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Date	Printed Name	Signature
January 29, 2021	Gabriela Gomez-Cruz	/s/ Gabriela Gomez-Cruz
I declare under penalty of p	erjury under the laws of the United Sta	☐ Service information continued on attached page.
for each person or entity se the following persons and/o such service method), by fa	rved): Pursuant to F.R.Civ.P. 5 and/or entities by personal delivery, overnig acsimile transmission and/or email as for	□ Service information continued on attached page. CSIMILE TRANSMISSION OR EMAIL (state method controlling LBR, on (date), I served th mail service, or (for those who consented in writing to ollows. Listing the judge here constitutes a declaration mpleted no later than 24 hours after the document is
The Honorable Barry Russon. U.S. Bankruptcy Court Roybal Federal Building 255 E. Temple Street, Suite Los Angeles, CA 90012		

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

ADDITIONAL SERVICE INFORMATION (if needed):

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